

**U.S. Estimated Tax for
Nonresident Alien Individuals****2000****Purpose of This Package**

If you are a nonresident alien, use this package to figure and pay your estimated tax. Estimated tax is the method used to pay tax on income that is not subject to withholding.

Do not use the payment vouchers in this package to notify the IRS of a **change of address**. Instead, use **Form 8822**, Change of Address.

You can order Form 8822 and other forms and publications by writing to the Eastern Area Distribution Center, P.O. Box 85074, Richmond, VA 23261-5074, USA. Or, if you have a computer and modem, you can access the IRS's Internet Web site 24 hours a day, 7 days a week, at www.irs.gov. For file transfer protocol, connect to <ftp.irs.gov>.

Who Must Make Estimated Tax Payments

Generally, you must make estimated tax payments if you expect to owe at least \$1,000 in tax for 2000 (after subtracting your withholding and credits) and you expect your withholding and credits to be less than the **smaller** of:

1. 90% of the tax on your 2000 tax return, **or**
2. The tax shown on your 1999 tax return (108.6% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2000, more than \$75,000).

For this purpose, include household employment taxes (before subtracting advance EIC payments made to your employee(s)) when figuring the tax shown on your tax return, if:

1. You will have Federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, **or**
2. You would be required to make estimated tax payments to avoid a penalty even if you did not include household employment taxes when figuring your estimated tax.

Tax Law Changes Effective for 2000

Use your 1999 tax return as a guide in figuring your 2000 estimated tax, but be sure to consider the changes noted in this section. For more information on changes that may affect your 2000 estimated tax, see **Pub. 553**, Highlights of 1999 Tax Changes.

Modification of estimated tax safe harbor for some taxpayers. For 2000, the estimated tax safe harbor that is based on the tax shown on your 1999 tax return is 108.6% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2000, more than \$75,000.

Student loan interest deduction. The amount you may be allowed to deduct on your tax return for interest that is paid during 2000 on a qualified student loan has been increased to \$2,000.

Business standard mileage rate. For 2000, the rate for business use of a vehicle has increased to 32½ cents a mile.

Tax liability limit increased for personal credits. For 2000, the personal credits you claim may be taken against the total of your alternative minimum tax and regular tax, reduced by the foreign tax credit. The personal credits are the credit for child and dependent care expenses, child tax credit, adoption credit, mortgage interest credit, and District of Columbia first-time homebuyer credit.

Foreign tax credit. When figuring the limit on your foreign tax credit for 2000, your U.S. income tax is no longer reduced by any personal credits.

IRA deduction restored for some people covered by retirement plans. You may be able to claim an IRA deduction for 2000 if you are covered by a retirement plan and your

modified AGI is less than \$42,000 if single or married filing separately and you lived apart from your spouse for all of 2000; \$62,000 if qualifying widow(er).

Section 179 expense deduction increased. For 2000, the deduction to expense certain property under section 179 generally has been increased to \$20,000.

Lump-sum distributions. The 5-year averaging method for figuring the tax on a qualified lump-sum distribution is not available for tax years beginning after 1999.

Special rule for the research credit. A special rule applies when figuring your research credit for estimated tax purposes. The credit attributable to the first suspension period (defined below) cannot be used to reduce any estimated tax payments due before October 1, 2000. Instead, the research credit attributable to the first suspension period is allowed in full against the installment due on January 16, 2001. The credit attributable to the second suspension period (defined below) cannot be used to reduce any of your estimated tax payments for 2000.

For tax years after 1999, the first suspension period begins January 1, 2000, and ends September 30, 2000, and the second suspension period begins October 1, 2000, and ends September 30, 2001. The credit attributable to a suspension period is figured by multiplying the total research credit for the tax year by the ratio of (a) the number of months in the suspension period that are included in the tax year to (b) the number of months in the tax year. For the 2000 tax year, 75% of the research credit is attributable to the first suspension period, and 25% is attributable to the second suspension period.

To Figure Your Estimated Tax, Use:

- The **2000 Estimated Tax Worksheet** on page 3.
- The instructions below for the worksheet on page 3.
- The **2000 Tax Rate Schedules** on page 4 for your filing status.*
- Your 1999 tax return and instructions as a guide to figuring your income, deductions, and credits (but be sure to consider the tax law changes noted earlier).

If you receive your income unevenly throughout the year (for example, you operate your business on a seasonal basis), you may be able to lower or eliminate the amount of your required estimated tax payment for one or more periods by using the annualized income installment method. See **Pub. 505**, Tax Withholding and Estimated Tax, for details.

*If you are married, you must generally use Tax Rate Schedule Y. For exceptions, see **Pub. 519**, U.S. Tax Guide for Aliens.

Instructions for Worksheet on Page 3

Line 8. Include on this line the additional taxes from **Form 4972**, Tax on Lump-Sum Distributions, or **Form 8814**, Parents' Election To Report Child's Interest and Dividends.

Line 9—Credits. See the 1999 Form 1040NR, lines 40 through 44, and the related instructions. However, be sure to consider the tax law changes noted earlier on the increase in the tax liability limit for personal credits, the foreign tax credit, and the special rule for the research credit.

Line 11—Other Taxes. Except as noted below, enter any other taxes, such as the taxes on accumulation distribution of trusts, distributions from an MSA, and early distributions from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988.

Include household employment taxes (before subtracting advance EIC payments made to your employee(s)) on line 11 if:

- You will have Federal income tax withheld from wages, pensions, annuities, or other income effectively connected with a U.S. trade or business, **or**

• You would be required to make estimated tax payments (to avoid a penalty) even if you did not include household employment taxes when figuring your estimated tax.

Do not include tax on recapture of a Federal mortgage subsidy, social security and Medicare tax on unreported tip income, or uncollected employee social security and Medicare or RRTA tax on tips or group-term life insurance. These taxes are not required to be paid until your income tax return is due (not including extensions).

Payment Due Dates

If you have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by April 17, 2000, or in four equal amounts by the dates shown below:

- 1st payment April 17, 2000
- 2nd payment June 15, 2000
- 3rd payment Sept. 15, 2000
- 4th payment Jan. 16, 2001*

If you **do not** have wages subject to U.S. income tax withholding, you may pay all of your estimated tax by June 15, 2000, or you may pay it in three installments. If you pay the tax in installments, 1/2 is due by June 15, 2000, 1/4 is due by September 15, 2000, and 1/4 by January 16, 2001.*

*You do not have to make the payment due January 16, 2001, if you file your 2000 Form 1040NR or 1040NR-EZ by January 31, 2001, **AND** pay the entire balance due with your return.

We do not send notices reminding you to make your estimated tax payments. You **must** make each payment by the due date.

Even if you are not required to make an estimated tax payment by the first payment due date, you may meet the requirements to make estimated tax payments later. In this case, you should figure the amount of your estimated tax payments by using the annualized income installment method, explained in Pub. 505. Although your payment due dates will be the same, the payment amounts will vary based on your income, deductions, additional taxes, and credits for the months ending before each payment due date. As a result, this method may

allow you to skip or lower the amount due for one or more payments. If you use the annualized income installment method, be sure to file **Form 2210**, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, with your 2000 tax return, even if no penalty is owed.

Fiscal year taxpayers. Due dates for fiscal year taxpayers are the 15th day of the 4th (if applicable), 6th, and 9th months of your current fiscal year, and the 1st month of the following fiscal year. If any date falls on a Saturday, Sunday, or legal holiday, use the next business day.

Name Change

If you changed your name and made estimated tax payments using your old name, attach a statement to the front of your 2000 income tax return. List all of the estimated tax payments you made for 2000, the address where you made the payments, and the name and identifying number under which you made the payments.

Amending Estimated Tax Payments

To change or amend your estimated tax payments, refigure your total estimated tax payments due (line 18 of the worksheet on page 3). Then, use the worksheets under **Amended estimated tax** in Pub. 505 to figure the payment due for each remaining payment period. If an estimated tax payment for a previous period is less than 1/4 of your amended estimated tax, you may owe a penalty when you file your return.

When a Penalty Is Applied

In some cases, you may owe a penalty when you file your return. The penalty is imposed on each underpayment for the number of days it remains unpaid. A penalty may be applied if you did not pay enough estimated tax for the year, or you did not make the payments on time or in the required amount. A penalty may apply even if you have an overpayment on your tax return. The penalty may be waived under certain conditions. See Pub. 505 for details.

(Continued on page 4)

Record of Estimated Tax Payments

(see above for payment due dates)

Payment number	(a) Date	(b) Check or money order number	(c) Amount paid	(d) 1999 overpayment credit applied	(e) Total amount paid and credited (add (c) and (d))
1					
2					
3					
4					
Total					

2000 Estimated Tax Worksheet—For Nonresident Alien Individuals (keep for your records)

<p>1 Total expected 2000 income effectively connected with a U.S. trade or business. Caution: If this amount is over \$128,950 (\$64,475 if married filing separately), your itemized deductions and your deduction for exemptions may be limited. See Pub. 505 for details</p>	1	
<p>2 Enter itemized deductions (see the 1999 Form 1040NR or 1040NR-EZ instructions)</p>	2	
<p>3 Subtract line 2 from line 1</p>	3	
<p>4 Exemptions. Multiply \$2,800 by the number of exemptions claimed. (Residents of Canada, India, Japan, Republic of Korea, Mexico, and U.S. nationals, see the 1999 Form 1040NR or 1040NR-EZ instructions.)</p>	4	
<p>5 Subtract line 4 from line 3</p>	5	
<p>6 Tax. Figure your tax on the amount on line 5 by using the 2000 Tax Rate Schedules on page 4. Caution: If you have a net capital gain, see Pub. 505 to figure the tax</p>	6	
<p>7 Alternative minimum tax from Form 6251</p>	7	
<p>8 Add lines 6 and 7. Also include any tax from Forms 4972 and 8814 (see instructions)</p>	8	
<p>9 Credits (see instructions). Do not include any income tax withholding on this line.</p>	9	
<p>10 Subtract line 9 from line 8. Enter the result, but not less than zero</p>	10	
<p>11 Other taxes (see instructions)</p>	11	
<p>12 Estimated 2000 tax on income effectively connected with a U.S. trade or business (add lines 10 and 11)</p>	12	
<p>13 Total expected 2000 income not effectively connected with a U.S. trade or business</p>	13	
<p>14 Multiply line 13 by 30% or lower treaty rate (see the 1999 Form 1040NR instructions)</p>	14	
<p>15a Add lines 12 and 14</p>	15a	
<p>b Credit for Federal tax paid on fuels (from Form 4136) and additional child tax credit</p>	15b	
<p>c Subtract line 15b from line 15a. THIS IS YOUR TOTAL 2000 ESTIMATED TAX ▶</p>	15c	
<p>16a Multiply line 15c by 90% (66⅔% for farmers and fishermen)</p>	16a	
<p>b Enter the tax shown on your 1999 tax return (108.6% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on line 34 of that return is more than \$150,000 (\$75,000 if married filing separately for 2000)</p>	16b	
<p>c Enter the smaller of line 16a or 16b. THIS IS YOUR REQUIRED ANNUAL PAYMENT TO AVOID A PENALTY . . . ▶ Caution: If you do not prepay (through income tax withholding and estimated tax payments) at least the amount on line 16c, you may owe a penalty for not paying enough estimated tax. To avoid a penalty, make sure your estimate on line 15c is as accurate as possible. Even if you pay the required annual payment, you may still owe tax when you file your return. If you prefer, you may pay the amount shown on line 15c. For more details, see Pub. 505.</p>	16c	
<p>17 Income tax withheld and estimated to be withheld during 2000 plus any amount paid with Form 1040-C</p>	17	
<p>18 Subtract line 17 from line 16c. (Note: If zero or less, or line 15c minus line 17 is less than \$1,000, stop here. You are not required to make estimated tax payments.)</p>	18	
<p>19 • If your first payment is due April 17, 2000, enter ¼ of line 18 (minus any 1999 overpayment you are applying to this installment) here and on your payment voucher(s). • If you do not have wages subject to U.S. income tax withholding and your first payment is due June 15, 2000, enter ½ of line 16c on your first voucher and ¼ of line 16c on your second and third vouchers. Reduce each installment by ⅓ of line 17 and any 1999 overpayment you are applying to the installment. Note: If you are not required to file the voucher due April 17 (or June 15), 2000, at this time, you may have to file by a later date. See Payment Due Dates on page 2.</p>	19	

Tear off here

Form **1040-ES (NR)**
 Department of the Treasury
 Internal Revenue Service

2000 Payment Voucher 4

OMB No. 1545-0087

File only if you are making a payment of estimated tax. Return this voucher with your check or money order payable to the "United States Treasury." Write your identifying number and "2000 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due Jan. 16, 2001

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

How To Complete and Use the Payment Voucher

There is a separate payment voucher for each due date. The due date is shown in the upper right corner. Please be sure you use the voucher with the correct due date for each payment you make. To complete the voucher:

- Type or print your name, address, and social security number (SSN) in the space provided on the voucher. If you do not have, and are not eligible to obtain, an SSN, enter your IRS-issued individual taxpayer identification number (ITIN). To apply for an ITIN, get **Form W-7**, Application for IRS Individual Taxpayer Identification Number.
- Enter on the payment line of the voucher only the amount you are sending in. When making payments of estimated tax, be sure to take into account any 1999 overpayment that you choose to credit against your 2000 tax, but **do not** include the overpayment amount on the payment line.
- Make your check or money order payable to the **"United States Treasury."** Do not send cash. To help us process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX-" or "\$ XXX $\frac{XX}{100}$ ").
- Write your identifying number (SSN or ITIN) and "2000 Form 1040-ES (NR)" on your check or money order.
- Enclose, but do not staple or attach, your payment with the voucher.
- Mail your payment voucher to the Internal Revenue Service, P.O. Box 8318, Philadelphia, PA 19162-8318.
- Fill in the **Record of Estimated Tax Payments** on page 2 for your files.

2000 Tax Rate Schedules

Caution: Do not use these Tax Rate Schedules to figure your 1999 taxes. Use only to figure your 2000 estimated taxes.

Schedule X—Single

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—			
\$0	\$26,250	----- 15%	\$0
26,250	63,550	\$3,937.50 + 28%	26,250
63,550	132,600	14,381.50 + 31%	63,550
132,600	288,350	35,787.00 + 36%	132,600
288,350	-----	91,857.00 + 39.6%	288,350

Schedule Y—Married filing separately

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—			
\$0	\$21,925	----- 15%	\$0
21,925	52,975	\$3,288.75 + 28%	21,925
52,975	80,725	11,982.75 + 31%	52,975
80,725	144,175	20,585.25 + 36%	80,725
144,175	-----	43,427.25 + 39.6%	144,175

Schedule Z—Qualifying widows and widowers

If line 5 is:	But not over—	The tax is:	of the amount over—
Over—			
\$0	\$43,850	----- 15%	\$0
43,850	105,950	\$6,577.50 + 28%	43,850
105,950	161,450	23,965.50 + 31%	105,950
161,450	288,350	41,170.50 + 36%	161,450
288,350	-----	86,854.50 + 39.6%	288,350

Disclosure and Paperwork Reduction Act Notices. The IRS Restructuring and Reform Act of 1998 requires that we tell you the conditions under which return information may be disclosed to any party outside the Internal Revenue Service. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need the information to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

This notice applies to all papers you file with us. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as stated in Internal Revenue Code section 6103.

However, section 6103 allows or requires the Internal Revenue Service to disclose or give the information you write on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice, to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, U. S. commonwealths or possessions, and certain foreign governments to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other

persons as necessary to obtain information that we cannot get in any other way in order to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may also disclose your tax information to Committees of Congress; Federal, state, and local child support agencies; and to other Federal agencies for purposes of determining entitlement for benefits or the eligibility for and the repayment of loans.

Keep this notice with your records. It may help you if we ask you for other information. If you have any questions about the rules for filing and giving information, call or visit any Internal Revenue Service office.

The time needed to complete the worksheets and prepare and file the payment vouchers will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 40 min.; **Learning about the law**, 12 min.; **Preparing the worksheets and payment vouchers**, 59 min.; **Copying, assembling, and sending the payment voucher to the IRS**, 10 min. If you have comments concerning the accuracy of these time estimates or suggestions for making this package simpler, we would be happy to hear from you. You can e-mail us your suggestions and comments through the IRS Internet Web site (www.irs.gov/help/email.html) or write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send the payment vouchers to this address. Instead, see **How To Complete and Use the Payment Voucher** on page 4.

File only if you are making a payment of estimated tax. Return this voucher with your check or money order payable to the "United States Treasury." Write your identifying number and "2000 Form 1040-ES (NR)" on your check or money order. Do not send cash. Enclose, but do not staple or attach, your payment with this voucher.

Calendar year—Due **Sept. 15, 2000**

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

For Disclosure and Paperwork Reduction Act Notices, see instructions on page 4.

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Calendar year—Due **June 15, 2000**

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

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Calendar year—Due **April 17, 2000**

Amount of payment \$	Please type or print	Your identifying number (SSN or ITIN) (employer identification number for an estate or trust)	
		Your first name and initial	Your last name
		Address (number, street, and apt. no.)	
		City, state, and ZIP code. If a foreign address, enter city, province or state, and country. Include postal code.	

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